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SUBJECT: MEDIA REACTION ON CAFTA, JUNE 27, 2005

1. On 06/25 the Tegucigalpa-based liberal daily "La Tribuna" published an editorial entitled "Final Round." "Once Bush sent CAFTA-DR for legislative ratification the two North American chambers of Congress have 90 days to approve or reject it."

"The approval requires a simple majority in both chambers and, even though opposition is strong the Senate's Financial Committee approved CAFTA-DR's draft by 11 to 9 votes, while the House of Representatives' Procedure Committee also accepted the text by 25 to 16 votes."

"Bush says that the treaty shouldn't be seen just as a commercial agreement but also as a way to strengthen countries' democracy. Democrats affirm that they don't understand why these kind of agreements are being approved if they are bad for the U.S and for other countries."

"While all this was happening, the President of Costa Rica declared that CAFTA wouldn't be approved until it is certain that it will benefit the country. The Nicaraguan Assembly hasn't ratified the treaty either. In the Dominican Republic the business sector has objected to it so the ratification is still uncertain."

"Despite all that, if Bush sent the treaty to Congress it is because he has the feeling that he has enough votes for its approval and apparently he has applied strong pressure to make that happen."

2. "La Tribuna" published an op-ed by Oscar Antonio Oyuela entitled "Washington and its Neighbors." "With the latest political events in Brazil, Argentina, Ecuador and Bolivia, the U.S. seems to have noticed that its old Latin American allies are trying to stop being its unconditional allies."

"According to economic and financial experts, CAFTA guarantees better commercial exchange between our countries, more access to the North American market, investments for development, increased indicators in education, health, culture, transfer of technologies and more. In exchange, the region and the Caribbean must restructure the judicial framework in order to attract investors.."

"Even though Kissinger recommended higher defense expenditures in the region, he also insisted that the United States should create a policy `for the long term that would best respond to the challenge of social, economic, and democratic development in the region as well as internal and external threats to its security and stability.'"

"For the U.S., CAFTA is the beginning of a broader plan in Latin America that will allow it to reinforce its leadership in the hemisphere and it will allow our countries to modernize and progress with other values and customs. However, those who are not prepared to face the challenges will be buried. Ability, creativity, and competition will replace mediocrity and opportunism."

Palmer